

House File 376 - Introduced

HOUSE FILE 376

BY S. OLSON

A BILL FOR

1 An Act providing for the blending of gasoline or diesel fuel by
2 dealers or distributors, and including penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 452A.2, Code 2013, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 9A. "*Diesel fuel*" or "*diesel*" means diesel
4 fuel as defined in section 214A.1.

5 Sec. 2. NEW SECTION. **452A.6A Right of distributors and**
6 **dealers to blend gasoline or diesel fuel using a biofuel.**

7 1. a. A dealer or distributor may blend gasoline or diesel
8 fuel using the appropriate biofuel on any premises in this
9 state notwithstanding any contrary agreement pursuant to which
10 a terminal operator, terminal owner, or supplier is a party and
11 the distributor or dealer is the other party.

12 b. Paragraph "a" does not apply to the extent that the use
13 of the premises is restricted by federal, state, or local law,
14 or otherwise by a person holding a legal or equitable interest
15 in the premises.

16 2. A terminal operator, terminal owner, or supplier who in
17 the ordinary course of business sells or transports gasoline
18 or diesel fuel which is unblended or blended with a biofuel
19 shall not refuse to sell or transport unblended gasoline or
20 unblended diesel fuel to a distributor or dealer based on the
21 distributor's or dealer's intent to blend the gasoline or
22 diesel fuel with a biofuel.

23 3. A terminal operator, terminal owner, or supplier shall
24 not prevent or inhibit a distributor or dealer from being a
25 blender or from qualifying for any federal or state tax credit
26 offered to blenders.

27 4. This section shall not be construed to do any of the
28 following:

29 a. Prohibit a distributor or dealer from purchasing,
30 selling, or transporting gasoline or diesel fuel that has not
31 been blended with a biofuel.

32 b. Affect the blender's license requirements under section
33 452A.6.

34 5. A terminal operator, terminal owner, or supplier who
35 violates this section is subject to a civil penalty of not

1 more than ten thousand dollars per violation. Each day that a
2 violation continues is deemed a separate offense.

3 EXPLANATION

4 Motor fuel (e.g., gasoline) and special fuel (e.g., diesel
5 fuel) move into this state via a pipeline or marine vessel to a
6 terminal where in turn the fuel is withdrawn by a supplier and
7 then purchased and transported by a distributor and ultimately
8 a dealer who sells the fuel at retail. During this process,
9 gasoline may be blended with alcohol (ethanol) and diesel fuel
10 may be blended with soybean oil (biodiesel) at a nonterminal
11 location by a person referred to as a blender. Both ethanol
12 and biodiesel are referred to as biofuel (Code sections 214A.1
13 and 452A.2).

14 This bill provides that a terminal operator or owner or
15 a supplier cannot restrict the sale and movement of gasoline
16 or diesel fuel only because the fuel is unblended or inhibit
17 a distributor or dealer from being a blender or qualifying
18 for any federal or state tax credit offered to blenders. A
19 terminal operator or owner or a supplier who violates the bill
20 is subject to a civil penalty of not more than \$10,000 per
21 violation.